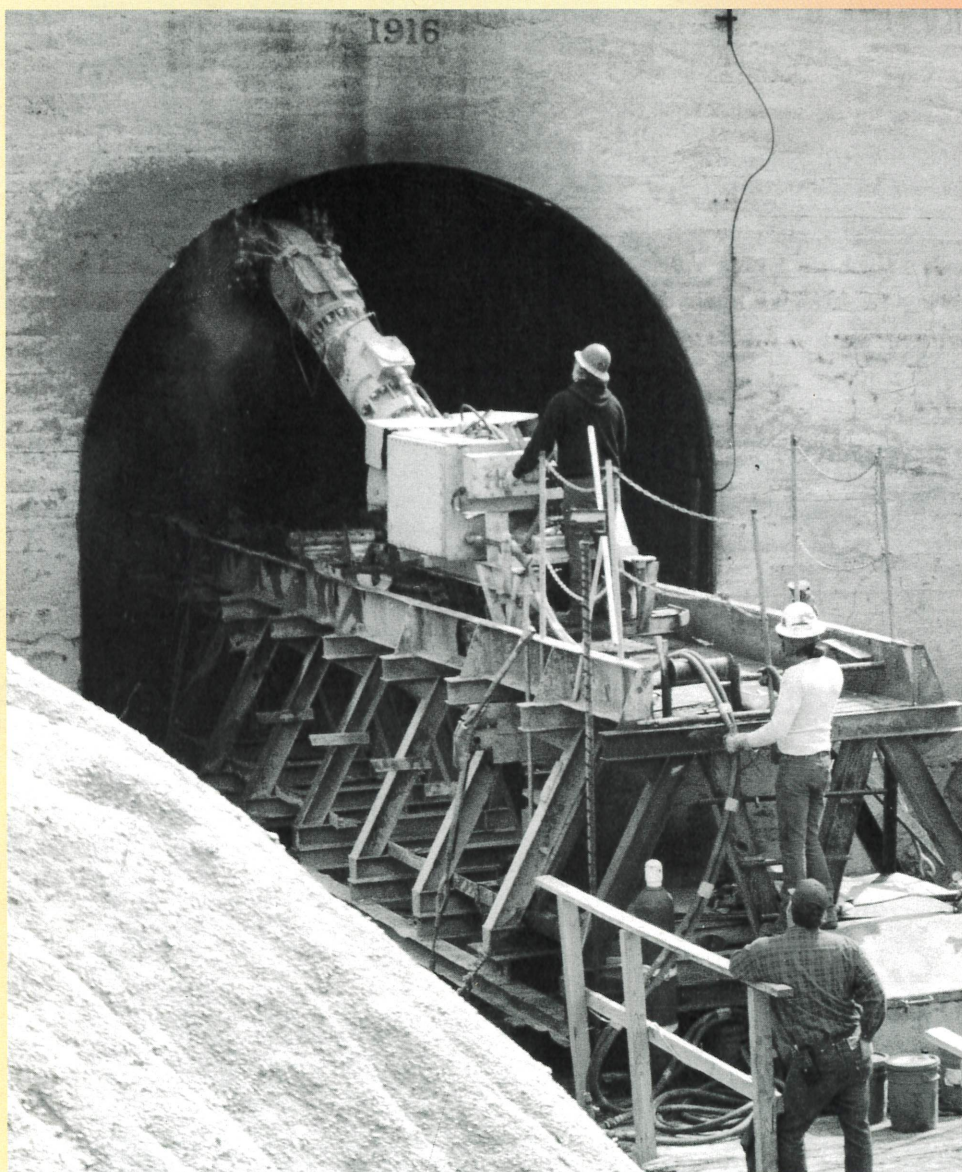


# Bulletin



**A** "road header" chips away at the opening of one of the Tehachapi Tunnels in California. SP is enlarging 12 of the tunnels to accommodate "high cube" doublestack cars.

The story is on page 2.





## Dear SP Employee

**M**any years ago, a French psychologist named Emile Coue lectured in the United States and created a sensation with just one statement. He advised people to tell themselves, "Every day, in every way, I am getting better and better." His advice became part of our language and lore.

Well, in recent months, SP has demonstrated that *it is getting better every day*, and I believe it will continue to do so. I believe that all of us, working as a team, will make it happen.

Lately, I've been on the road meeting with various groups of customers, telling them just some of the ways SP is getting better:

- With an unprecedented upgrading of our locomotive fleet this year, encompassing 559 units that are new, remanufactured, rebuilt or getting heavy repairs.
- With scheduled service in our five major traffic corridors, which carry more than 70% of all SP traffic. Scheduled service, which includes assigning locomotives to specific trains, has already resulted in service improvements.
- With growing financial strength and confidence being shown in the company by both customers and investors. For the first time in years, our first quarter financial results were positive (see P. 1). Our stock price has increased significantly since the company became publicly owned last summer. Customers recognize that we're working hard to earn their business and their respect, and many tell me that they are impressed with our efforts.
- And last, but certainly not least, with good people who know their jobs, who want to do a good job and want to see this company succeed.

I've also been out talking with groups of employees, and have enjoyed meeting so many of you. Often, I am asked about company plans, strategy, and the like. I have a very simple reply: We really need to follow just one strategy – give the customers good service, all the time. If the customers are satisfied and make money, then SP makes money and that is to the benefit of all of us who work for SP.

We're getting better, to be sure, but we still have much to do. We will become the best transportation company in this nation – not just the best railroad – only if all of us make the contribution I know we are capable of making. However, none of us can make our greatest *individual* contribution, unless we work effectively *as a team*. If we don't extend cooperation, help and goodwill to each other, then we won't be able to do the best job we can and, consequently, we won't be able to adequately serve our customers.

But if we *do* work as a team to the top of our capabilities, we will go far beyond that old saying about getting better. We will be able to say, quite proudly, "We're the best."



**Edward L. Moyers**

*Chairman and Chief Executive Officer  
SP Lines*

## Southern Pacific Bulletin

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June 1994

**Editor** Michael Brown

**Managing Editor**

Jack Martin

**Design** Design Directions

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Cathy Burdick

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*Southern Pacific Lines'  
mission is to anticipate  
and satisfy the require-  
ments of its customers for  
highly responsive and cost-  
effective transportation  
and distribution services.*



# 'We're Off to a Good Start' in '94

After several deficit years, Southern Pacific Rail Corporation began 1994 on a positive note with a tripling of first quarter operating income, in comparison with the previous year, and a reduced operating ratio.

Operating income totaled \$62.3 million, compared with \$20.9 million for the same period in 1993. Revenues for the quarter were \$748.2 million, against \$676.3 million in the first quarter of last year.

Revenues increased during the first quarter by 10.6% while expenses rose 4.7%. The first quarter operating ratio was 91.7%, compared with 96.9% for the same period last year; the goal for 1994 in full is 89.5%.

"We're off to a good start in 1994," said Edward L. Moyers, President and Chief Executive Officer. "Our operating results reflect improvements in operating methods, combined with new cost control measures, as well as increased revenues."

Net income for the period was \$15 million, or 11 cents per share, based on an average of 139.1 million shares of stock outstanding during the quarter. This figure excluded a net after tax charge of \$6 million for retiree post-employment

brought total shares at the end of 1994's first quarter to 155.8 million.

The price of SP stock, set at \$13.50 per share in the initial public offering in late 1993, has climbed significantly, ranging between \$20 and \$22 in recent months.

Carloadings in the first quarter were up 13.6% over 1993. Coal carloadings showed the greatest increase, up 30%, due primarily to continued interest in low-sulfur coal that SP moves from mines in Colorado and Utah. Intermodal traffic also surged, up 25%, reflecting an increase in import container volumes. Construction and minerals carloadings were up 24% and automotive shipments up 20%.

The workforce stood at 18,882 at the end of the first quarter, down 3,203 from the first quarter of 1993; the year-end goal is 18,000.

The company held its first annual shareholders meeting on April 27 in San Francisco, shortly after publication of the initial annual report, which details such programs as renewal of the locomotive fleet and notes productivity gains that have been made.

"We are still a long way from where we want to be, both in terms of our service quality and our profitability," Moyers cautions in the report. "But the recapitalization of the company puts us on a solid financial footing and enables us to implement our operating strategies with more speed and effectiveness.

"The coming year offers SP and those of us associated with it the greatest opportunity the company has seen in a very long time for growth, improvement in service, increases in customer satisfaction and solid gains in stockholder value."



**Vice Chairman Robert F. Starzel talks with shareholders at annual meeting.**

— Bob Morris

benefits. Including the charge, net income was \$9 million, or 6 cents per share. In the first quarter of 1993, the company reported a net loss of \$6.5 million or 9 cents per share, based on 100 million shares outstanding. Completion of a public offering of common stock in March



# Doublestack Doorway Opening Via Tehachapi Tunnels

By Jack Martin

SP Engineering forces are creating a doublestack doorway to Northern California by reshaping the historic Tehachapi Tunnels. Like a barber, the crews are taking a little bit off the top and a little off the bottom – and when they're through the tunnels will be right in style with modern transportation trends.

The 12 tunnels, in the Tehachapi Mountains near Bakersfield, were built in the 1870s and have undergone several alterations, by man and by nature: Some were given concrete interiors in the 1920s and some were extensively damaged in an earthquake in 1952. Where appropriate, a few have been "daylighted," or made into open cuts by removing their roofs.

The current work, however, is to make the 19th century bores compatible with 21st century transportation, and that means doublestack trains. At the request of the Santa Fe, which has trackage rights over the line, the tunnels are being enlarged to permit passage of 9-foot-6 inch containers stacked two high; currently, only one 9-6" and one 8-6" can make it. Santa Fe is paying for the work.

The tunnel reconstruction began last January and "we are hoping to complete the project by the end of August," said Sam Mansour, Director of Engineering Services-West.

"The work was divided into two phases," Mansour said. "Phase One involved crown mining, or enlarging the tunnel ceiling, and



**Members of the Project Management Team include, from left, Gerry Millar of consultant firm Shannon & Wilson; Sam Mansour, Director of Engineering Services-West; Foreman Jackie Rogers; Assistant Foreman Tom Lupio; Fresno Roadmaster Charlie Drinnon, and Cliff Cabe, Manager of Facility Design, Portland.**

that was completed in May. Phase Two involves undercutting the track to lower it, and realigning the track."

Crown mining is done with a formidable looking piece of equipment called a road header, which is mounted on a flatcar and shaves away concrete from the tunnel ceiling. "It's a job that had to be done with care because we wanted to get only a nine-inch radius around the containers," Mansour said. "That, combined with the undercutting, will provide the needed dimensions."

Why not use just one or the other of the techniques? "For structural and economic reasons; the combination approach reduces the danger of weakening the tunnel and bringing on a cave-in, and it is less

expensive," said Mansour, who is based in Los Angeles.

The track undercutting has varied in depth from six to about 18 inches. "We had some difficulty removing hard rock," Mansour said, "but overall the work has gone relatively smoothly, considering the short (work) windows we were given (five hours a day Thursday through Monday)."

That's quite a tribute to the crews when you consider that they have had to work on the track and then rebuild it so trains could come through, under a 10-mile-an-hour speed restriction. "It has taken a lot of planning, scheduling and coordination with Operating," Mansour said.





**A train snakes its way through one of the tunnels and toward the famed Tehachapi Loop.**

*—David Crammer*

**ABOVE: "Tie back" bolts stud the walls of a tunnel. The bolts are installed to provide stability during track lowering and excavation.**

More than 40 workers, from SP and private contracting firms, are assigned to the project, supported by three work trains. "I'd really like to

compliment all the gang members, not only for their work but for their excellent safety record – zero injuries as of late May," Mansour said.

Other key Engineering personnel on the project include Charlie Drinnon, Roadmaster at Fresno; Ron Pettit, Roadmaster at Tehachapi; Cliff Cabe, Manager-Facility Design from Portland, and Byron Kelly, Manager-Facility Design, from Denver.

Under the construction arrangement, Santa Fe is paying for the \$6.3 million job. SP will be obligated to pay for half only if it elects to run doublestacks through the tunnels.

If funding is approved, the new doorway "would allow us to provide doublestack service from Chicago and the Southeast to Northern California," said Brad Skinner, Vice President-Intermodal Sales and Marketing. "It would improve our efficiency because currently we have to run much of

that traffic single-stack. In addition, it would enhance our prospects of converting some trailer-on-flatcar business to containers."

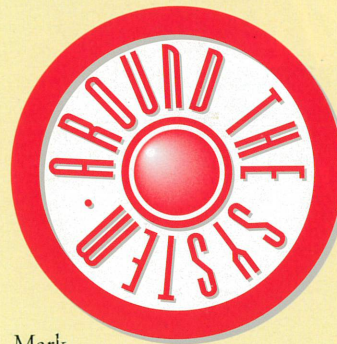
SP carries more containers than any railroad – 858,916 last year – and its intermodal traffic grew by more than 11%, roughly double the rates of Santa Fe and Union Pacific, according to the Association of American Railroads.



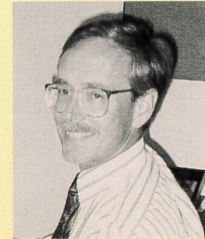
## Chairman's Circle Awards Given

Nine employees have received the first Chairman's Circle Awards given under the new program that recognizes outstanding job performance, announced Judy Holm, Vice President-Human Resources. The

winners are given shares of stock in Southern Pacific Rail Corporation, plus a certificate of recognition and a letter of appreciation from Chairman Edward L. Moyers.



Mark A. Johnson, Director of Financial Reporting, San Francisco, was honored for his "extraordinary effort" in compiling data necessary for recent major financings and public stock offerings.



**Mark Johnson**

The team that put together the contract for SP to haul iron ore for Geneva Steel Co. in Utah also won. Members were Kathleen Bostick, Managing

Director-Metals & Ores; Rick Elston, Managing Director-Coal; Shannon Courage, Director-Ferrous Metals Marketing; Bruce Hubbard, Director-National Accounts; Robert Huebel Jr., Managing Director-Operations Design/Service Planning; Jason Kuehn, Managing Director-Northern Corridor, Network and Corporate Development; Darell Luther, Managing Director-Fleet Management, and Doug Rockwell, General Director-Locomotive Management. All are based in Denver except Hubbard, of Salt Lake City.



**Bruce Hubbard**



**Geneva Steel contract team, from left, Darell Luther, Jason Kuehn, Robert Huebel Jr., Rick Elston, Kathleen Bostick, Doug Rockwell and Shannon Courage.**

## Denver Departments Will Move Into New Downtown Building

Hundreds of employees in Denver will move into new downtown quarters this summer at One Corporate Center, 1860 Lincoln St. The 13-story building has 330,000 square feet of office space plus 150 underground parking spaces.

About 470 employees will move from the Park Central Building at 1515 Arapahoe St. and another 100 from the Anaconda Tower at 555 17th St. Departments leaving Park Central include the Transportation Service Center, Customer Service Center and Executive Department; some other functions will remain. Those leaving Anaconda Tower are mostly in marketing business groups. Another 250 employees, primarily train dispatchers now based in Denver, Houston and Roseville, also will relocate to the new building.



**New home for hundreds of Denver employees.**

— Ray Tyler



## Top Sales Performers Recognized

SP's top sales stars have been recognized for their performance in 1993, which Vice President-Sales Pete Ruotsi called "nothing short of Herculean." Top 10 individual performers, all of whom exceeded their sales plans, were in order:

Bruce Hubbard, Salt Lake City, 177% of plan; Steve Williamson, Denver, 130%; Keith Johnston, Houston, 126%; Dave Lowndes, Fresno, 120%; Tom Hawksworth, Seattle, 118%; Verna Stafford, Fresno, 116%; Kathy Lewis, Monterey Park, 113%; Chuck Hendrix, Sacramento, 112%; Steve Nowicki, Kansas City, 110%, and Don Havlik, Denver, 109%.

## Special Notice:

A number of people have written and called to say they have missed some 1994 issues of the Bulletin. To repeat the note published in the November/December issue, there will be only four issues this year: March, June, September and December.



**Southern Pacific Police cars are getting a new look, with markings and light bars that will increase police visibility considerably, particularly in high crime areas, said Chief George Slaats. The department has almost 80 vehicles and about half of them will get the new markings. There also is a new police Communication Center in Denver that employees, the public and other police agencies can call to report emergencies: 1-800-892-1283, or company line 8-634-2789.**



**Special Agent John T. McKay of Los Angeles, left, gets a citation from SP Police Chief George Slaats to go with his Medal of Valor. The officer was given the Police Department's first such medal for rescuing a small boy from drowning last year. (see page 17)** - Robert Frye

## Be a Bulletin Byliner

The *Bulletin* wants to bring you news from all over the SP System, but we need your help. If you know of an event, activity, outstanding employee achievement or whatever you think might be of general interest to Bulletin readers, please let us know. You can pass along a tip, or submit an article and if we use it you'll get a byline. Just contact: **Jack Martin**, *SP Bulletin*, 1 Market Plaza, Room 950, San Francisco, CA 94105, or call (415) 541-1656.

## Conductor Perri Honored For Snow Slide Warning

Early on the morning of Feb. 9, Conductor Bill Perri of Pueblo, Colo. was working on an eastbound train near Belden, Colo., when he spotted a snow slide blocking the siding there. His quick action in alerting the crew of a westbound train, which was descending the west side of Tennessee Pass and approaching the siding, "allowed them to stop short of the slide, undoubtedly preventing a situation of serious consequence," said Denver Division Superintendent Gary Greblo in the Eagle Eye Award citation given to Perri.

Other recent award winners whose alertness possibly avoided a major derailment or accident:

Crane Hostler T.R. Boogren, ICTF, Long Beach; Locomotive Engineer Neil Sutherland, Tucson; Switchman David Hayes, Phoenix; Clerk/Agent W.D. Martin, Carlin, Nev.; Conductor G.T. Warrick Jr., Roseville; Signal Technician Frank Doege Jr., San Antonio; Conductor P.J. Romero, Lafayette, La.; Hostler L.G. Cullins, Houston; Carman M.C. Rhodes, Dayton, Tex.; Inspection & Repair Foreman

E.L. Schmitt, Houston; Electrician Carl Hoop, Houston; Carman P.E. Sachtleben, San Antonio; Car Inspector R.E. McNabb and Carmen O.D. Myers and N.K. Easterday, all of Kansas City.



# Computer Tracks Diesel

A new computerized system is helping SP keep a closer eye on its diesel fuel supplies and consumption, which usually runs about a million gallons a day. The result is a far more accurate picture as well as a considerable money savings.

Just like a budget-minded

motorist, SP wants to get the most out of its fuel dollar. To that end, it installed Novatech Inc.'s Remote Fuel Management System at three principal fueling points: Denver, El Paso and Houston.

"Novatech tracks our fuel inventory, fuel consumption and

all inbound fuel orders to make sure we get full deliveries," said Mel Claytor, General Director of Locomotive Fuel Management in Denver.

"It's allowed us to pare our inventories because, for the first time, we have instant knowledge of what we have on hand,"

added Karl Schaeffer, Assistant General Manager-Transportation Service Center.

Previously, all record keeping had to be done manually and reconciling fuel usage with inventory was a long and tedious process. "Now, we can track monthly fuel usage to within one quarter of one percent," Claytor said.

After installation, the system immediately cleared up one mystery. "We were unable to reconcile fuel inventories at North Yard in Denver by about 200,000 gallons a month," Claytor said. Novatech determined that the problem was in an outbound meter that was simply recording in error "and we were not really losing that fuel."

Novatech allows much closer management of inventories, enabling SP to keep supplies much closer to actual need and thus keep expenditures down. "We have reduced our inventory from 12-to-14 days to eight days, on a system basis," Claytor said. "That's several million dollars of inventory."

The new system also has proven useful in other ways, Schaeffer said:

"At El Paso recently, the temporary shutdown of two

**Mel Claytor, left, General Director-Locomotive Fuel Management, and Data Entry Clerk Bill Adams at a Novatech unit in Denver's North yard.**

—Rich Carlson





# Fuel Flow



**Fireman/Oiler S.P. Chavez  
fuels a locomotive at El Paso.**  
— Joel Salcido

refineries dropped us down to a 1.8-day supply of fuel, which is unacceptably low. But with our ability to monitor on a minute-to-minute basis, we were able to get through the period and never were in any danger of running out.”

El Paso pumps about 6 million gallons a month, making it the biggest fueling point on the system; North Yard in Denver about 2.5 million gallons and Houston about 800,000 gallons.

SP is the first railroad to install the fully automated Novatech system, although Burlington Northern Railroad put in a non-automated system earlier. The remote units monitor storage tanks and pipelines and relay data to a central computer.

“Data Entry Clerk Bill Adams at North yard contributed greatly to getting Novatech up and running smoothly and Les Egan (Manager-Locomotive Fuel Management) also has played a key role,” Claytor said.

The system’s daily reconciliation of fuel levels signals any leaks that occur, which can cost a lot more than just the price of fuel, Schaeffer pointed out. “When you lose fuel into the ground, it costs several dollars a gallon to clean it up and dispose of it. Novatech gives us a warning by indicating we have an inventory loss.”

The newest application for the system will be at Houston, to monitor tanker trucks by means of on-board computers. The trucks load at SP’s fueling facility and are driven to Englewood Yard to fuel locomotives. This eliminates the need for locomotives to be moved to the fueling facility, as they formerly were, and has cut several hours off locomotive terminal delay.

The onboard computer monitors by date, time, and location how much fuel is added to each locomotive, and reconciles fuel loaded into the truck versus what was added to the locomotives.

## Various Measures Can Help Save Fuel

SP locomotive engineers play a vital role in the company’s effort to reduce fuel consumption. As a sticker recently posted in locomotive cabs says, “You are the Key.” The sticker outlines train handling techniques the engineers can use to help cut the \$210-million plus annual fuel bill.

A number of other fuel-saving measures also are being taken:

**Track Lubrication.** SP has used fixed-curve lubricators for years, and track inspection vehicles are now being fitted with equipment to lubricate straight track, too.

**Locomotive Shutdown.** Both Mechanical employees and locomotive engineers are an essential part of this process.

**Wheel-Slip Control.** SP plans to equip 424 SD-40 locomotives with a new wheel-slip control technology that will allow more tonnage to be pulled with fewer units.

**Train Speed.** Speed was reduced from 60 to 50 miles per hour on some manifest trains, reducing fuel consumption by more than 2%.



## Your Health & Safety

# Coping in 'Critter Country'

By Pamela Engelke, R.N., and Susan Carriere  
Regional Coordinators, SP Medical Department

From the majestic Redwoods of the Pacific Coast to the Piney Woods of East Texas, SP tracks and people share beautiful scenery with some ugly customers, a variety of creepy critters. But a few precautions and some first-aid knowledge can help you cope in the outdoors. Here are the key players in the cast of "Nature's Nasties":

**Bees.** Black, brown and yellow honey bees are most active from early Spring to early Fall. They are most temperamental on cool, overcast days. Bees are drawn to bright colors, rough textured fabrics and sweet smells like perfume or shaving lotion. Repellents don't work well against them but smoke does. Standing still or a gentle brushing may make bees leave but swatting angers them.

If stung, try to remove the stinger carefully so you don't break open the venom sack. Use a flat-edged object like a knife, credit card or fingernail to flick the stinger out. Wash the site with soap and water and ice it down; calamine lotion or an over-the-counter corticosteroid cream may ease itching and swelling. Some researchers also have suggested using meat tenderizer or a paste made of

baking soda or even mud. **IMPORTANT:** If you are allergic to bee or other insect stings, ask your doctor to give you a prescription for self-injecting syringes loaded with the drug epinephrine, to carry with you. Insect bites kill several dozen people each year, according to the National Safety Council.

**Spiders.** The most poisonous spiders in the United States are the female black widow and the brown recluse. The black widow is a small black spider with a red hourglass marking on its abdomen. The brown recluse is a small spider with a purple violin-shaped marking on its back. The black widow's bite produces extreme pain, muscle spasm and, occasionally, paralysis; a victim should go to a hospital emergency room for evaluation. The bite of a brown recluse may not become apparent for several hours or days, when an enlarging, ulcerating skin lesion appears. A physician should be consulted.

**Snakes.** About 15% of all snakebites are from venomous snakes, of which there are four major types in the U.S.: Rattlesnake, copperhead, cottonmouth water moccasin and coral snake. Rattlesnakes are found from

the desert to Southern woodlands; copperheads, named for their color, live in Southern timber and rocky areas; coral snakes live in the South and Southwest and are marked with brilliant bands of red, yellow and black; water moccasins are found in swampy areas and around creeks in the South.

**First aid:** Have the victim lie still and immobilize or splint the affected extremity at or below heart level. Apply a venous tourniquet band 2-3" wide above the bite; it should be loose enough to allow two fingers beneath it and a pulse should be felt below the bite. Get medical help as soon as possible.

**Dressing for the Outdoors:**

- ▶ Minimize the amount of skin exposed.
- ▶ Wear pale, neutral colors.
- ▶ Wear high-top boots and tuck bottom of pants into boots or socks.
- ▶ Don't use fragrances.
- ▶ Seek medical care when in doubt about the offending critter or the severity of the reaction.



## **Your Health & Safety**

# **SAFE BOATING DEMANDS SAFETY AWARENESS**

---

By Lawson McDowell  
Director of Safety

Recently on San Francisco Bay, eight people crowded into a boat designed to hold only four. The passengers included several children – and nobody was wearing a life jacket. About an hour into the cruise, the boat capsized and two passengers drowned.

Two small pleasure boats collided on a bend in a Southern river; the floating debris included numerous beer cans. Three people died.

Summer, for many SP families, means boating, for fishing, water skiing or just sailing. Veteran sailors know that boating also demands alertness and taking safety precautions. In the water, hazards can be of the natural variety or the careless boater type.

More than 1,000 people die in recreational boating accidents each year, according to the U.S. Coast Guard Auxiliary. More than half of those deaths involve impairment by alcohol, and 82% of those killed in recent years were not wearing life jackets.

Often, recreational boats mix on big rivers with commercial towboats and barges. There are interesting parallels between the commercial vessels and locomotives, by the way. For example, a towboat can take more than a mile to stop, just like a train. If a water skier falls 1,000 feet in front of a typical tow, the skier may feel pretty safe, but actually has less than a minute to get out of the way.

Cardinal rules for safe boating include: Don't use alcohol, wear life jackets, don't overload the boat and stay alert.

The Coast Guard Auxiliary and other organizations offer safe boating classes. For information you can call 1-800-336-BOAT.



# System SNAPSHOTS

Pausing for a picture at the Purchases & Material facility at North Yard in Denver, left to right, Order Clerk Chet Elmore, Foreman Charley Gallegos, Clerk Dave Struck, Fork Lift Driver Mike Sullivan and Relief Foreman Vince Birth.

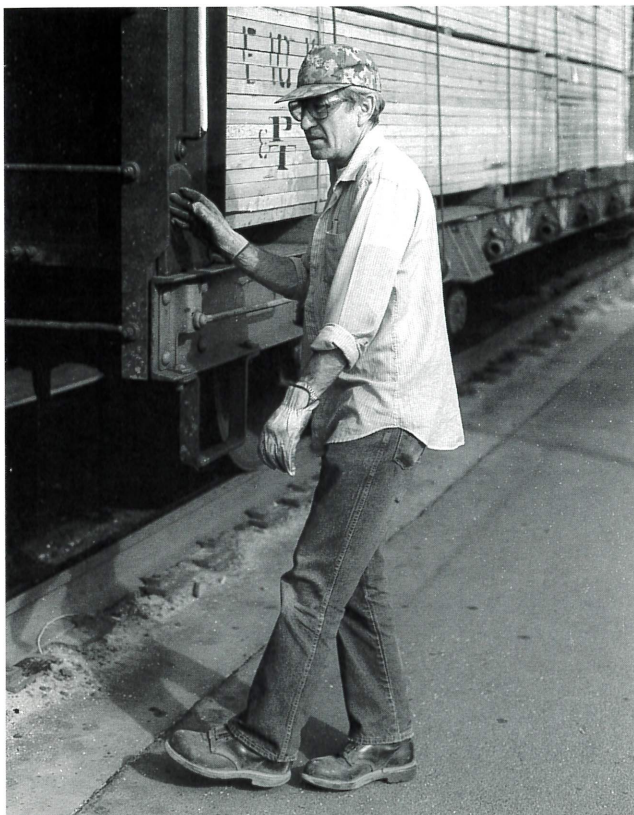


In recognition of his 40th year of railroading, Agent Charlie Prigmore, seated, received several gifts from Trainmaster G.R. Gracin Jr. and fellow employees at Dayton, Texas.

— Evelyn Crow







**Switchman Larry (Snake) Schweigert pulling car coupling pins on the hump at West Colton yard.**

*- David Crammer*

**This is your SP family album - help us keep it filled! We'd like to see photos, color or black-and-white, of SP people on the job, individually or in small groups. Please send pictures along with full identifications, job titles, where the picture was taken and who took it to: System Snapshots, SP Bulletin, 1 Market Plaza, Room 950, San Francisco, CA 94105**



**Occasion: Work Equipment Department/Eastern Region, Lead Mechanics staff meeting in Houston. Participants, front row from left: Ted Sellers, Lafayette, La.; Johnny Smitherman, Houston; Darlene Aarhus, Manager of Materials, Oakland; Gary Hayes, Kansas City, KS, and Buddy Widner, San Antonio. Back row, from left, Danny Miller, Dallas; Prissy Bass, Pine Bluff; Bill Phillips, El Paso, and Homer Dean, San Antonio.**



## RETIREMENTS

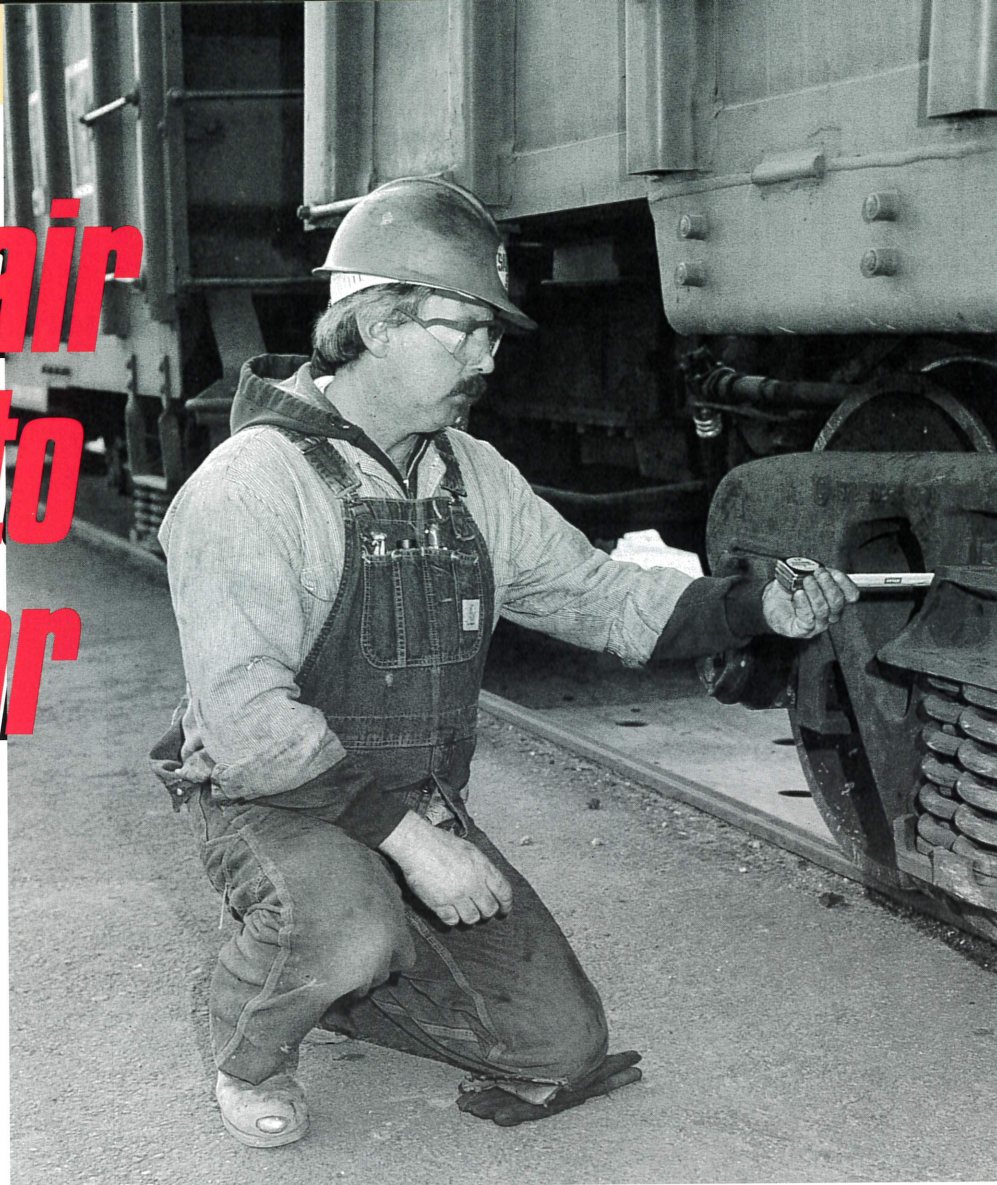
R.M. Aho <i>Brakeman</i>	M.A. Blizzard <i>Clerk</i>	A.P. Chapman <i>Man Dir/Pricing Strategy</i>	C.W. Gant <i>Carman</i>
P.A. Apodaca <i>Switchman</i>	B.D. Blount <i>Conductor</i>	J.H. Chastain <i>Machinist</i>	D.J. Giles <i>Section Foreman</i>
J.F. Arnold <i>Switchman</i>	R.F. Bonney <i>Electrician</i>	P.H. Clay <i>Brakeman</i>	J.J. Gonzales <i>Sr Asst Chf Engr/Maint</i>
E.A. Ausland <i>Acctg Clerk</i>	R.C. Botkin <i>Machinist</i>	R.H. Cobos <i>Switchman</i>	G.M. Griffin <i>Switchman</i>
F.E. Baeza <i>Carman</i>	A. Broussard Jr. <i>Welder</i>	R.F. Collins <i>Car Inspector</i>	A. Guzauskas <i>Crew Dispatcher</i>
R.G. Baker <i>Car Foreman</i>	R.D. Burdette <i>Brakeman</i>	J.E. Connolly <i>Sheet Metal Worker</i>	R.F. Guzman <i>Mechanic</i>
N.T. Barras <i>Dir Collections</i>	D.H. Buschke <i>Locomotive Engineer</i>	K.A. Craig <i>Conductor</i>	E.G. Hamilton <i>Conductor</i>
L.E. Bartlett <i>Conductor</i>	M.K. Campbell <i>Lead Psgr Carman</i>	W.G. Dewees <i>Supvrs/Remote Support</i>	C.C. Helmick <i>Electrician</i>
E.W. Baumgarten <i>Switchman</i>	C.C. Campos <i>Traffic Clerk</i>	R.S. Dickinson <i>Mgr/Joint Facilities</i>	J.A. Henley <i>Control Operator</i>
C.C. Billings <i>Carman</i>	Z. Castro <i>Laborer</i>	E.L. Elledge <i>Brakeman</i>	A.M. Henson <i>Vice Pres/ Transportation</i>
J.E. Blakeman <i>Conductor</i>	R.E. Cecconi <i>Locomotive Engineer</i>	D.K. Ernst <i>Brakeman</i>	J.V. Hernandez <i>Truck Operator</i>



R.L. Hildebrant <i>Brakeman</i>	J.C. Leleux <i>Machine Operator</i>	L.R. Newman <i>Foreman</i>	J.W. Poppell <i>Welder</i>	J.P. Steward <i>Brakeman</i>
J.M. Hocker <i>Sr Bus Sysms Constnt</i>	E.V. Leniger <i>Switchman</i>	W.E. OBrien <i>Switchman</i>	D.A. Pritchard <i>Conductor</i>	V.E. Summers <i>Brakeman</i>
E.E. Jones <i>Switchman</i>	L.J. Lindsay <i>Locomotive Engineer</i>	L.M. Ocampo <i>Driller</i>	S.H. Rempel <i>Extra Gang Foreman</i>	G.L. Sumner <i>Sr Bookkeeper</i>
J.E. Jones <i>Brakeman</i>	E.L. Maiocco <i>Conductor</i>	B.E. Partridge <i>Signal Maintainer</i>	R.C. Rico <i>Truck Driver</i>	R. Sustaita <i>Machinist</i>
W.L. Jones Jr. <i>Carman</i>	P.R. Mascarenas <i>Truck Driver</i>	R.C. Patterson <i>Switchman</i>	V.R. Rodela <i>Boilermaker</i>	L.I. Taylor <i>Machine Operator</i>
T. Jordan Jr. <i>Conductor</i>	S.A. McDonald <i>Agent</i>	J.R. Pearce <i>Locomotive Engineer</i>	C.N. Roswell <i>Conductor</i>	W.H. Test <i>Reg Account Mgr</i>
B.E. Kleinhans <i>Eng Inspector</i>	D.R. McPherson <i>Machinist</i>	D.J. Pengray <i>Ast Car Dist</i>	R.H. Rust <i>Brakeman</i>	J. Vargas <i>Laborer</i>
W.P. Klump <i>Switchman</i>	E.E. Meliza <i>Clerk-Telegrapher</i>	J.C. Perez <i>Machinist</i>	P.A. Scrivner <i>Clerk</i>	R.B. Varley <i>Electrician</i>
C.R. Lane <i>Conductor</i>	C.H. Miller <i>Traveling Mechanic</i>	D.L. Petersen <i>Ballast Tamper Switch Opr</i>	C.E. Shaw Jr. <i>Machinist</i>	M.E. Voss <i>Sr Bookkeeper</i>
J.O. Leblanc <i>Conductor</i>	J.L. Miller <i>Brakeman</i>	E.H. Peterson <i>Locomotive Engineer</i>	R.B. Simpson <i>Switchman</i>	D.R. Wagner <i>Carman</i>
V.J. Lee <i>Brakeman</i>	A.A. Morales <i>Car Inspector</i>	O.J. Pilcher <i>Dir/Reg Compliance</i>	F.R. Smith <i>Signalman</i>	R.E. Whitmer <i>Switchman</i>
	D.E. Munoz <i>Machinist</i>	R.L. Polasek <i>Signal Foreman</i>	J.D. Sprague <i>Carpenter</i>	



# ***Car Repair Kicks Into High Gear***



**Lead Car Inspector Mike Krengloskie at work in Oakland.**

*- Ray Tyler*

A new Mechanical/Operating team program is putting "bad order" cars back into service faster than ever before.

Last Fall, an effort got underway to repair most bad order cars within 24 hours of their being identified as defective. Now, that's exactly what's happening.

"We wanted to improve our car hire situation," said Henry Chidgey, Vice President and Chief Mechanical Officer. "Whether foreign cars on your line are in service or on a rip (repair) track, you're still paying for them. And obviously, a bad order car impacts our service.

"We decided that we would tell SP customers: A bad order car breaks our service commitment to you, so we pledge that 95%

of the time, we'll have this car fixed within 24 hours. At first, there were a lot of skeptics among SP people, but as time went on more and more became convinced that it could be done — and now it is being done."

The Mechanical Department started tracking and measuring 24-hour repair performance back in November "and in December, the first full month of charting, we had a 33% achievement ratio," said Bill Dorst, Manager-Car Planning. "The goal was to hit 95% by December 31, 1994, but because of the positive response from both Mechanical and Operating, we moved that up to June 1. And as of that date we had reached that goal at many locations.

"This is a joint effort by the Mechanical and Operating departments," Dorst said. "Mechanical couldn't do it alone. Operating





**ABOVE: Carman Jon Ramirez checks out a wheel that he and Carman Ramon Uriarte, standing, just installed on a car at the Intermodal Container Transfer Facility in Long Beach.**

- David Crammer

**LEFT: Carman Eddie Alvarado on the job in El Paso.**

- Bob Morris

must spot the cars on the repair tracks and then it's up to Mechanical to make the repairs in a timely fashion."

The program is being carried out at 25 locations on nine different divisions, from the Intermodal Container Transfer Facility in Long Beach to Pine Bluff.

"We're hitting our target each day," said Bernie Hernandez, Car Foreman at the ICTF. "We don't have a rip track, so we fix them right on line." That means dealing with a lot of cars, as an average of 18 trains a day go in and out of the ICTF.

On the operating side, "the key responsibility belongs to the yardmasters and trainmasters,"

commented Charles Alexander, Pine Bluff Division Superintendent. "Getting the program started was really a matter of education and focusing our efforts. For example, we have three spot rip tracks and three where minor repairs are done. We also have 'rolling rip trucks,' equipped with welding machines and other tools, which can repair cars still in a train. Previously, these trucks were utilized in other functions, such as making air tests, but (Division Mechanical Officer C.D.) Butch Kelley and I focused them on making repairs."

So far, the 24-hour car repair program has resulted in car hire savings of "at least one to one and a half million dollars," said Vice President-Fleet Management Norm Kirsch.



# Turning Around a Customer's Nightmare

Not so long ago, customers who questioned certain bills from Southern Pacific were lucky to even learn if SP was checking the figures.

"When a billing contention was received – and if it ultimately was cancelled or corrected – customers were often not even told, so the matter was just left hanging on their account books," said David Griffin, Director-Customer Accounting in San Francisco.

Needless to say, such indifference does not make for happy customers. Internally, things also were less than satisfactory: The billing contention process involved an incredible 101 steps and communication between departments was sorely lacking.

Enter a quality improvement team, led by Griffin and made up of people from the Accounting Department and the Regional Business Centers.

The bills involve switching, demurrage and other services. When the team began work, it found a backlog of bills totaling more than \$5 million, and 61 percent of bills took more than 60 days to process.

"After we made a thorough analysis, we found the root cause of the problem to be the lack of a standardized process for handling contentions," aggravated by the lack of communication between Accounting and the RBC's.

The team developed standard letters that: Inform customers

immediately that the contention has been received; ask the customer for more information, if needed; and advise a customer that a bill is correct or has been adjusted. Internally, copies of the letters and other forms keep everyone up to date on the status of contentions, averting duplication of effort and lengthy file searches. Laborious tasks formerly done by hand are now computerized. And, "the new process requires communication."

The amount of money held in the over-60 days category was reduced by \$2.4 million, "which represents generated cash and a quick

resolution to the customer," noted Team Facilitator

Cliff Cass of the Houston Business Center.

"But the results represent a lot more than money," Griffin said. "We now have a much more customer-friendly operation."

Other members of the team were Mary Canada, Accounting, and Carl Highman, Business Center, Houston; Lee Ricketts, Denver Accounting; Angie Oldroyd, San Francisco Accounting, and Freddie Bryant, Marvin Brooks, and Jan Voiles, Monterey Park Business Center. For their efforts, they were awarded the President's Cup.

The new procedures are in use at the Houston, Denver and Monterey Park Regional Business Centers and at the Accounting Department in San Francisco.



Turning Around a Customer's Nightmare



## NEWS BRIEFS

### Calder, Klaus Get Transportation Posts

C. Wayne Calder has been named Vice President & Chief Transportation Officer for Southern Pacific Lines. He had been General Manager of the Eastern Region since joining SP Sept. 1, 1993. Succeeding him as General Manager is John C. Klaus, former Superintendent of Burlington Northern's River Division at St. Louis. Calder began his railroad career in 1967 as a carman for the St. Louis-San Francisco Railway (Frisco), now part of Burlington Northern. He was General Superintendent of Operations-Southern Corridor when he came to SP. Klaus started as a management trainee in BN's Operating Department in 1982 and has held a number of operating, strategic planning and financial posts.

### First Medal of Valor Awarded

Special Agent John T. McKay of Los Angeles, who saved a small boy from drowning, has been awarded the first Medal of Valor to be given by the SP Police Department. Police Chief George Slaats presented the medal in a ceremony May 13, a year to the day after McKay leaped into the flooded Los Angeles River to rescue Elias Olmedo, 5. SP Police Lt. George Meyers assisted in the rescue.

### New Repair Center to Open

SP's new Maintenance of Way Equipment Repair Center is to open near Denver next month. The three-building complex, with a total of 64,000 square feet of space, is located at 59th and Pecos in Adams County. It will employ 64 personnel and be responsible for most repair work on bulldozers, front-end loaders, tie extractors and other machinery. The new shop replaces a facility at Oakland.

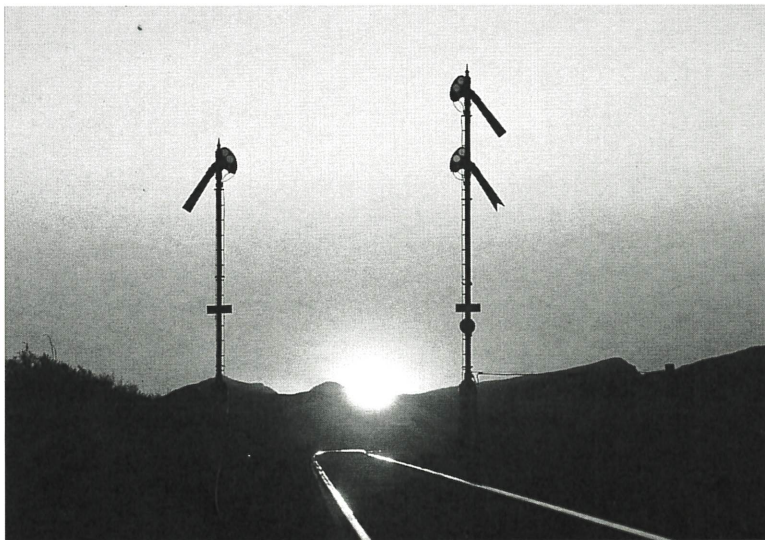
### SP Sets Pace in AEI Program

Despite starting late, SP has moved ahead of all major railroads in "tagging" cars for Automatic Equipment Identification. "We have tagged virtually 100 percent of our system cars, which is ahead of any other railroad," said Evans Hughes, General Manager-Agency

Operations. The tags on cars and locomotives contain computer chips bearing specific data, such as equipment numbers (July '93 Bulletin). Trackside scanners "read" the tags to determine locomotive car consists, train direction and speed and relay the information to SP computers.

### Switchman Dies in Accident

Switchman Belton Adair was killed April 12 while working in Englewood Yard in Houston. Adair, 62, an SP employee since 1957, was riding a cut of cars on a repair track when he fell and was run over by several cars. It was the first on-duty death of an employee in 1994. There were four fatal accidents in 1993.



Brian Solomon

### Gray Heads New Department

The Network and Corporate Development Department has been created to consolidate all major corporate analysis and network development functions, Chairman Edward L. Moyers announced. Vice President John Gray heads the Denver-based group. The department integrates functions of Yield Management, which Gray formerly directed, and the former Service Planning

and Design group. The new unit will assist executive decision making by providing information and analysis.

### 'Gold Spike' Link-Up Recalled

Railroad figures and the public gathered May 10 at Promontory, Utah to observe the 125th anniversary of completion of the nation's first transcontinental railroad. The Western half of the rail line was built by Central Pacific, SP's predecessor. The entire project was "one of the greatest achievements of the 19th century," said Phil Anschutz, Chairman of Southern Pacific Rail Corporation, who spoke along with Drew Lewis, Chairman of Union Pacific, which built the line from the east.





No job is so important,  
no service is so urgent,  
that we cannot  
take the time  
to perform  
all work safely.

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